

NINETEENTH JUDICIAL DISTRICT COURT
THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

MAY 22 2006

NUMBER: 523979

DIVISION: 23

J. ROBERT WOOLEY, COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA

VERSUS

ACADIAN LIFE INSURANCE COMPANY AND ACADIAN FINANCIAL GROUP, INC.

FILED: _____

DEPUTY CLERK _____

JUDGMENT OF LIQUIDATION

This matter came for hearing on the 18th day of May 2006. Considering the Petition for Liquidation and Injunctive Relief and the attachments thereto, and the Court being satisfied from the specific facts alleged therein that the interests of creditors, policyholders, and the public will be endangered by delay, and the Court finding that the law and the evidence is in favor of granting the relief prayed for therein by the Commissioner of Insurance of the State of Louisiana (hereinafter referred to as the Commissioner),

IT IS ORDERED that Gulf National Insurance Services, Inc. be and is hereby determined to be a single business enterprise for the purpose of liquidation only.

IT IS ORDERED that the Commissioner is appointed as Liquidator of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and that Barry W. Karns shall remain as Receiver of Acadian Life Insurance Company and Acadian Financial Group, Inc., and that Barry W. Karns shall be appointed Receiver of Gulf National Insurance Services, Inc.

IT IS FURTHER ORDERED that this Court finds and orders that sufficient cause exists for the liquidation of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and further orders and directs the Commissioner, his agents and/or employees and/or the Receiver to take and/or maintain possession of all of the property, business, books, records, accounts, claim files, assets, software, electronic data, electronic mail, websites, patents, trademarks, copyrights and all other affairs of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and liquidate Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.

IT IS FURTHER ORDERED that the Commissioner and/or the Receiver be and is hereby authorized and allowed to:

1. Employ and authorize the compensation of accountants, clerks, and such assistants as it deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. in the possession of the Receiver or coming into its possession;

2. Defend or not defend legal actions wherein Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. or the Commissioner or the Receiver is a party defendant, commenced prior to or subsequent to this order, without authorization of this Court; except, however, in actions where Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. is a nominal party, as in certain foreclosure actions and the action does not affect a claim against or adversely effect the assets of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc., file appropriate pleadings in his discretion;
3. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding;
4. Collect all debts, which are economically feasible to collect and which are due and owing to Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.;
5. Take possession of all Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.'s securities and certificates of deposit including any deposited with the Treasurer of Louisiana, and convert to cash so much of the same as may be necessary, in its judgment, to pay the expenses of administration of this receivership;
6. Require any officer, director, manager, trustee, agent or adjuster of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over any segment of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.'s affairs to cooperate with the Receiver, notwithstanding their dismissal pursuant to this Order;
7. Require reinsurance amounts due to or payable by Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. be remitted to, or disbursed by, the Receiver; authorize the Receiver to handle reinsurance losses recoverable or payable by Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.; and require that all correspondence concerning reinsurance be between the Receiver and the reinsuring company or intermediary;
8. Require any bank, savings and loan association, financial institution, and any other person which has on deposit, in its possession, custody or control any funds, accounts and any other assets of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc., to immediately transfer title, custody and control of all such funds, accounts, or assets to the Receiver, and be instructed that the Receiver has absolute control over such funds, accounts and other assets; authorize the Receiver to change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership; disallow any bank, savings and loan association or other financial institution the right to exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;

9. Require any data processing service which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. to transfer custody and control of such records to the Receiver and without compensation to any such entity for the actual use of hardware and software, which the Receiver finds to be necessary to this proceeding; allow compensation to be based upon the monthly rate provided for in contracts or leases with Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. which were in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software is used by the Receiver;
10. Conduct an investigation of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and its affiliates to uncover and make fully available to the court the true state of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.'s financial affairs; require Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and its parent corporations, its subsidiaries, its affiliates and its third party administrator, to make all books, documents, accounts, records, and affairs, which either belong to or pertain to the financial condition of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc., available for full, free and unhindered inspection and examination by the Receiver during normal business hours (9:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order; require Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and the above-specified entities to fully cooperate with the Commissioner and the Receiver as required by law; and
11. Require the United States Postal Service to provide any information requested by the Receiver regarding Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and to handle future deliveries of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.'s mail as directed by the Receiver.

IT IS FURTHER ORDERED that there shall be no liability on the part of and no cause of action of any nature against the Commissioner in his capacity as rehabilitator, receiver, liquidator and/or regulator of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. or Barry W. Karns, as Receiver of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc. and/or the Attorney General of the State of Louisiana in his capacity as attorney for the Commissioner in his capacity as rehabilitator, receiver, liquidator and/or regulator of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc., and their representatives, agents, employees, or attorneys, for any action taken by them when acting in accordance with the orders of this Court and/or in the performance of their power and duties as rehabilitator, receiver, liquidator and/or regulator of Acadian Life Insurance Company, Acadian Financial Group, Inc. and Gulf National Insurance Services, Inc.

IT IS FURTHER ORDERED that the Commissioner and/or the Receiver be and is hereby appointed and granted all legal and equitable relief as may be necessary to fulfill their duties and are hereby authorized to pursue all such other relief as the nature of the case and the interests of Acadian Life Insurance Company, Acadian Financial Group, Inc., and Gulf National Insurance Services, Inc. and their policyholders, stockholders and other creditors, or the public, may require, including but not limited to the prosecution of any action which may exist on behalf of the policyholders, stockholders and other creditors, or the public, against any officer, director or employee of these companies or any other person.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that all provisions of the Court's prior orders including but not limited to the August 31, 2004 Consent Order of Rehabilitation which are not contrary to this order remain effective until further orders of this court.

Baton Rouge, Louisiana, this 18th day of May, 2006.

William A. Morvant

JUDGE WILLIAM A. MORVANT
NINETEENTH JUDICIAL DISTRICT COURT

**CERTIFIED
TRUE COPY**

MAY 18 2006

B: *B. H. Kean*
DEPUTY CLERK